

SECRET
CONTROL

REF ID: A6610906

LOCAL FILE NO.

NUMBER OF PAGES 3

NUMBER OF ENCLOSURES

REPORT
MADE BY
DISTRIBUTION
BY COPY TO:

APPROVED BY
ORALLY TO:

Washington (1)
Registry

Handwritten signature: Hasegawa, Hajime

REFERENCE:

OPERATIONAL DATA AND COMMENTS

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 302B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET
CONTROL

CLASSIFICATION SECRET/CONTROL - FOR US OFFICIALS ONLY

REGISTRY COPY

SECRET
WASHINGTON ONLY

P. **Encl 12**
Encl 12

U.S. 10/10/46
Copy <i>xy</i>
Recvd <i>H. M. 19</i>

EXCERPTS

The Position of the "Free Government" and
the "Free Press"

The attached information, dated the end of February, comes from a new Arab source in touch with **Abd** **El** **Wahid** **Fatih** and other members of the **Wahid**'s entourage. Para 3 was supplied by **C** and the last two pages by a **Chico** source in touch with **C** **officer**.

REGISTRY COPY

C

7

POOR QUALITY DOCUMENT
SEE 201 FOLDER FOR HARDCOPY

PALESTINE.

Political.

The Present Position of the Gaza Government.

(End of February, 1948)

A new source who is believed to be well placed has reported on the present position of the "GAZA Government" and the intentions of the ex-KUFTI.

I. Ahmed HILMY Pasha.

Ahmed HILMY Pasha, Prime Minister of the "GAZA Government", is very dissatisfied with the way he is being treated by the ex-KUFTI. Although nominally head of the "GAZA Government" Ahmed HILMY is not even allowed to engage a courier for himself: the ex-KUFTI keeps everything under his own control. The monthly payment of £215,000 to the "GAZA Government" by the Arab League is made direct to the ex-KUFTI, and Minister's salaries, supposed to be £2140 per month, have recently been cut to £250. Ahmed HILMY is looking for some means of leaving the "GAZA Government" and would join King ABDULLAH in AMMAN if it were possible for him to leave EGYPT. He realizes that his departure for AMMAN would probably prove a death-blow to the "GAZA Government" and that the ex-KUFTI will therefore use every means in his power to prevent his departure. To check his movements and intentions, HILMY has proposed to the Egyptian and Syrian Governments that he should be authorized to examine curfew bonds in the North of PALESTINE. He estimates that £2250,000 would be required for such a purpose, but neither Government has shown any interest in the proposal. He is also reported to have written to the various Arab States and told them that the "GAZA Government" can not carry on any longer. He says that they have created a state without financial resources and that now is the time to face facts and call it a failure.

2. Activities and Intentions of the ex-KUFTI.

a) In private conversation on February 25th the ex-KUFTI admitted that the conclusion of an armistice by the Egyptians had been a disappointment to him, and that the proposed talks by King ABDULLAH looked as if they would put paid to the possibility of a unified Arab state

RECEIVED COPY

in PALESTINE/.....

- 2 -

in PALESTINE. He still has hopes of securing the opening of the Arab states to continue the struggle for a free PALESTINE by underground means. At the moment he is trying to persuade the Egyptians to allow him to organize committees in the Arab union under their control but he has not had much success. As for money, he has £15,000 from INDO-CHINA and the V.I.N. and is hoping to get further subscriptions from the Arabs in CHINA and MEXICO. He has written to two rich Christian Arabs, one Charles FONGCOS in MEXICO and the other Abu JAROUS in CHINA, asking them to make collections among their expatriate friends. As both these men are rich and influential he feels that they will be able to help him materially.

b) Source has also reported that others in close touch with the ex-WUFI believe that he is contemplating a policy of terror in Arab countries other than EGYPT, and that he will attempt to terrify the population and make them think that it is dangerous to try to live on friendly terms with the Jews. One of the most likely targets of attack is said to be Kufi al SA'ID as the ex-WUFI thinks that SA'ID has been responsible for BUKHARI's opposition to the ex-WUFI. The ex-WUFI's own armed men in PALESTINE have been active recently as they have not been paid, and the ex-WUFI always insists that every man with any sort of a salary be given to the BUSHALAI family.

Comment by source:

Source believes that with very little persuasion there can be no doubt that the ex-WUFI will go over to King ABU ALLAH. In his opinion this would strengthen ABU ALLAH's position as it would mean a reinforcement of men for him who had actually fought for PALESTINE and who had been previously opposed to him.

3. Attitude of the Egyptian Government towards the ex-WUFI.

More than three weeks ago the ex-WUFI asked to see King FARUK but he has not yet been granted an audience. In this connection an authoritative source reports that on advice received from the Egyptian Minister in Baghdad at the beginning of February the King instructed the Prime Minister to keep a close watch on the ex-WUFI and his activities. Guards on the ex-WUFI were to be doubled, and his

lieutenant/.....

- 8 -

Lieutenants were gradually to be told that their presence in EGYPT was no longer desirable. In this way it was hoped that the ex-EUFTI would eventually be forced out of the country.

4. Attitude of the Egyptian Government towards the "GAZA Government"

The previously friendly attitude of the Egyptians seems to have changed a great deal recently. One of the members of the PALESTINE "General Assembly", Ismail IUSSEIK, has been trying for months to get permission to enter EGYPT, but it has always been refused.

5. Desertion of the "GAZA Government"

In addition to Ahmed HILAY's reported intended desertion of the "GAZA Government" (see paragraph 1 above) a independent and reliable source has reported that towards the middle of February there was a deterioration in the relations between Shukh Abu el SAUD, alias OMOUJI, Secretary of the Arab Higher Executive, and Michael AGGARIBUS, Minister of Finance in the "GAZA Government", on the one hand and the ex-EUFTI and his network on the other. Shukh Abu el SAUD is said to have begun to favour King ABDULLAH and to be in close touch with Shukh el QandARI, the former EUFTI of QAZA, who is now with ABDULLAH in AMMAN. It is believed that SAUD will desert to AMMAN and offer allegiance to ABDULLAH.

6. Anti-EUFTI feeling in PALESTINE

The same source reports that a wave of anti-EUFTI feeling is spreading throughout PALESTINE and that this is attributable to the misuse by the ex-EUFTI and his network of funds entrusted to them to assist the needy. Source adds as a further reason that Jewish and "Eis SJORLA" propaganda is beginning to take effect in PALESTINE.